

LYNCHBURG CITY COUNCIL

Agenda Item Summary

MEETING DATE: **August 13, 2002**

AGENDA ITEM NO.: **9**

CONSENT: **X**

REGULAR:

CLOSED SESSION:

ACTION: **X**

INFORMATION:

(Confidential)

ITEM TITLE: **Revised Finance and Planning Committee Guidelines**

RECOMMENDATION: Approve the Finance Committee Guidelines.

SUMMARY: At the July Finance and Planning Committee meeting, a brief discussion was held regarding the purpose of the Committee and the operating guidelines for the Committee. Based on the discussion, staff has revised the guidelines for City Council's consideration and adoption. Major changes to the guidelines include:

- Changing the name of the Committee from the Finance and Planning Committee to the Finance Committee.
- A General Purpose Statement that states that the Committee will serve as a filter in determining the merits of financial requests and deciding if the request merits full City Council consideration.
- Focusing on broader financial issues such as quarterly reports for major funds, bond issues, accounting changes, etc.
- Requiring an "exit strategy" for grant funded programs once the grant term has expired.
- Eliminating redundant Council consideration of items that are "fully reimbursable".

PRIOR ACTION(S): Finance and Planning Committee, August 6, 2002

BUDGET IMPACT:. None

CONTACT(S):

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Bonnie Svrcek, Deputy City Manager, 847.1443, ext.224
Michael Hill, Director of Financial Services, 847.1595

ATTACHMENT(S): Finance and Planning Committee Guidelines, Revised August 6, 2002

Resolution

BE IT RESOLVED that City Council adopt the revisions to the Finance and Planning Committee Guidelines dated August 6, 2002.

Adopted:

Certified: _____
Clerk of Council

161L

Finance Committee Guidelines (Revised August 6, 2002)

General Purpose Statement

To guide the City in the execution of Council-adopted financial policies; to review and serve as a filter in determining specific budget/financial actions to be considered by City Council; and, to review financial reports on a quarterly basis to determine if any revenue or expenditure adjustments are necessary during the fiscal year.

To better facilitate the Finance Committee meetings, the agenda format is divided into two sections: General Business and Other Information. Following is a sample of items that may be included in each of these sections:

I. Items considered as General Business include:

1. A review of the status of the General Fund Reserve for Contingencies
2. Any item requesting an appropriation from:
 - Reserve for Contingencies-All Funds
 - Fund Balance-All Funds
3. Review of grant applications: Prior to submitting grant applications for more than \$10,000, the grant application or concept will be reviewed by the Finance Committee if local funding is required during or following the end of the grant period. Departments applying for grants must include a strategy for consideration by the Committee outlining what action will occur when the grant funding expires.
4. New programs or changes in programs creating a current or future budget impact, to include both revenue and expenditure issues.

II. Items Considered as Other Information include:

1. Items that do not require immediate Council action but are to advise Council on upcoming items or issues. Examples include: quarterly financial reports for General, Water, Sewer, Airport, and Solid Waste Funds, reports from bond rating agencies, changes in Virginia Retirement System costs, changes in accounting identified by the Governmental Accounting Standards Board (GASB).

III. Items to be considered later by the full City Council at a Council Worksession

1. Six-year financial forecast and financial indicators.
2. Input into the planning and approach for the annual Capital Improvement Program and Operating *Budget*.
3. Review and deliberations regarding the *Proposed Capital Improvement Program and Operating Budget*
4. Requests for funding by outside agencies.
5. Proposed amendments to Fiscal Management Policies.
6. The structure and timing of proposed bond sales.